



STATE BOARD OF EQUALIZATION
POLICY, PLANNING, AND STANDARDS DIVISION
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Controller, Sacramento

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Acting Member
Fourth District, Los Angeles

E. L. SORENSEN, JR.
Executive Director

No. 97/53

August 29, 1997

TO COUNTY ASSESSORS:

HISTORICAL PROPERTIES ASSESSED UNDER SECTIONS
439, 439.1, 439.2, 439.3, AND 439.4 OF THE
REVENUE AND TAXATION CODE
INTEREST COMPONENT - 1998 LIEN DATE

Historical property assessed under provisions of Revenue and Taxation Code sections 439 through 439.4 is subject to valuation by the capitalization of income method in a specified manner.

In accordance with section 439.2, Revenue and Taxation Code, the Board is required to announce the interest component which is equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board. This effective rate, when rounded to the nearest quarter percent, is to be used as the interest component of the capitalization rate in the valuation of properties subject to Historical Property Contracts for the 1998 lien date.

Information from the Federal Housing Finance Board indicates that the latest effective rate was 7.69 percent. When rounded to the nearest one-quarter percent, the interest component is 7.75 percent. The interest components announced for prior lien dates are enclosed.

Sincerely,

Richard C. Johnson
Acting Deputy Director
Property Taxes Department

RCJ/ro
Enclosure

HISTORICAL PROPERTIES ASSESSED UNDER SECTIONS
439, 439.1, 439.2, 439.3, AND 439.4 OF THE
REVENUE AND TAXATION CODE
INTEREST COMPONENT FOR PRIOR YEARS

<u>Lien</u> <u>Date</u>	<u>Interest</u> <u>Component</u>
1997	7.75
1996	7.50
1995	7.75
1994	7.25
1993	8.00
1992	9.50
1991	10.25
1990	10.50
1989	9.25
1988	9.50
1987	10.25
1986	11.25
1985	13.50
1984	12.50
1983	14.75
1982	15.25
1981	12.50
1980	11.50